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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC #03729-85/1
30 July 1985

MEMORANDUM FOR: Distribution

FROM: Carl W. Ford, Jr.
National Intelligence Officer for East Asia

SUBJECT: East Asia Warning and Forecast Meeting of
17 July 1985

1. Representatives of the Intelligence Community met on 17 July to consider the attached subjects.

2. Next month's Warning and Forecast Meeting will be held on 21 August 1985 at 1400 hours in Room 7E62, CIA Headquarters. Recommendations for discussions/warning topics should be forwarded to this office by COB 7 August 1985.

3. Attendees from outside agencies are advised to arrive early to avoid parking problems created by construction work. Please enter the compound through Gate 1, the Route 123 entrance. Please telephone attendance intentions to [redacted] and have your clearances verified to us by your security office by COB 19 August 1985.

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Carl W. Ford, Jr.

Attachment:

17 July 1985 Warning Report

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National Intelligence Council

NIC #03729-85
30 July 1985

MEMORANDUM FOR: Director of Central Intelligence
 Deputy Director of Central Intelligence

VIA: National Intelligence Officer for Warning

FROM: Carl W. Ford, Jr.
 National Intelligence Officer for East Asia

SUBJECT: 17 July 1985 East Asia Warning and Forecast Meeting

Vietnam and the Soviets: The Status of the Relationship

1. Changes are taking place in the patron client relationship that exists between the Soviet Union and Vietnam. Some of these not so subtle changes have the Vietnamese worried because they are almost totally reliant on the Soviets for material and political support. Le Duan's recent visit to Moscow did little to reassure the Vietnamese of continued Soviet support; indeed, it probably increased their alarm. Although the trip did result in some increased Soviet aid, there was little else to offset recent improvements in Sino-Soviet relations. Almost like rubbing salt in a wound, the Soviets had Le Duan sign a joint communique that included a statement favoring rapprochement amongst all three communist countries.

2. Vietnam cannot help but be concerned as it watches the warming of the Sino-Soviet relationship weaken its position vis-a-vis China and Cambodia. Its already important goal of settling the Cambodian problem must now receive greater attention. However, Hanoi is unlikely to alter its position on the Cambodian problem, particularly the demand that Pol Pot, et al, be "liquidated." Nor would we anticipate that the Soviets are willing to risk loss of facilities at Cam Ranh by withdrawing support from the VN Cambodian venture. But, if Hanoi comes to believe that the Soviets are headed for a significant rapprochement with China, the impetus will be to settle the Cambodian issue, open the door for economic assistance from ASEAN and perhaps achieve normalization with the United States.

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WARNING NOTE:

Although there are few signs of movement toward the negotiated settlement at this time, things could begin to move very quickly and with little advanced warning. The Vietnamese could make some marginal concessions to achieve a negotiated settlement in order to have a friendly government in Kampuchea, remove their forces from Cambodia, and reduce the heavy financial burden of carrying on the war.. They will not, however, give up their key objection to participation of the Khmer Rouge in a future Cambodian government. Because US-Vietnamese normalization doubtless will be one of Hanoi's objectives in a negotiated settlement, we must be alert for signs that the log jam is breaking and that movement is about to take place.

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South Korean Opposition Parties: Prospects for Instability

1. Since returning to Korea five months ago, opposition leader, Kim Dae Jung has moved deliberately to reestablish his position on the political stage. He accepted, for example, co-chairmanship of the Council for Promotion of Democracy. He has, however, refrained from openly defying the legal restraints that prohibit him from formal affiliation with a political party. He does play a key role in directing the maneuvers of the leading opposition, New Korea Democratic Party (NKDP), from offstage. The NKDP used the spring session of the National Assembly to focus attention on constitutional reform and other sensitive issues. The Chun Doo Hwan government's apparent unwillingness to make concessions in these areas undermined efforts by party moderates to promote interparty dialogue with the opposition. We doubt there will be any progress in the parliamentary discussion area when the Assembly reopens in September.

2. Maneuvering between the factions of the opposition, particularly the two Kims--Kim Dae Jung and Kim Young Sam--produced a rather feckless effort to unilaterally hold a special assembly session in mid-June. Political infighting between the two factions will continue to limit their effectiveness. The opposition, however, is capable of causing turmoil, particularly during the upcoming fall session. If accompanied by student disturbances, this could put President Chun under pressure to tighten political controls further.

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3. The prospects for instability in the future remain high. The economy is having difficulty, labor is increasingly restive, and the students continue their advocacy of greater political liberalization. In the longer term the question of a peaceful transition in 1988 raises a very explosive issue that the opposition will capitalize on by pressing for a transition plan. Much will hinge on Chun's ability to come up with a proposal for transition acceptable both to the military and the opposition. Such a plan must guarantee his safety while ensuring that radical elements do not gain an unacceptable level of power. If Chun fails in this, we believe the military would move to replace him with someone from their own camp who would restore stability throughout the country.

WARNING NOTE:

As the September parliament session nears, the possibility for instability will increase. Chun's ability to manage this will be more restricted than it has been in the past. While we believe he is capable of weathering the storm we cannot rule out the possibility that violent student activities and a resultant military crack down could produce a leadership crisis.

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The ASEAN Ministerial Wrap Up.

1. Two issues dominated the ASEAN ministerial and post ministerial meetings: first, trade and economic issues; and second, Cambodia. In the trade and economic area protectionism and improved market access were the main concerns. All participants agree on the need for a new MTN round. Despite the recent ASEAN-Japan economic talks, Tokyo was the recipient of harsh words because of continued protectionism, mainly non-tariff barriers, and exploitative foreign investment policies. New Zealand received heavy criticism for new GSP actions which would have excluded some countries, notably Singapore. Australia was also criticized for market access restrictions.

2. By contrast the US came off somewhat better. The ASEAN ministers voiced concern about GSA tin disposals and about the pending "Jenkins Bill" on textile imports, but were reassured by Secretary Shultz' explanations that tin disposals would be managed without market disruption and that the Administration is firmly opposed to the Jenkins Bill. The ASEAN countries also expressed general concern about the implementation of some of the more restrictive provisions of the 1984 trade act, and in this connection proposed a "rolling dialogue" with the US on economic issues.

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3. The concept of Pacific community was not advanced as Malaysia objected to a formula for human resources development in which ASEAN would be dealing with the five industrialized Pacific nations en bloc; Kuala Lumpur is wary of domination of ASEAN by such a combination. ASEAN has taken under advisement the Japanese suggestion that Korea be included in Pacific cooperation circles.

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Cambodia

There were no surprises in the treatment of Cambodia during the ministerials. The "proximity talks" proposal of Malaysia, as modified by Thailand, was announced as a separate statement which in effect reiterated the United Nations International Conference on Kampuchea principles. The ASEAN ministers welcomed the congressional initiatives that would enable (or oblige) the US to be more actively engaged in support for the non-communist resistance, while they downplayed the idea of direct US military assistance. They were at pains to make known their position that the US should not normalize diplomatic relations with Vietnam until Cambodia is settled -- even the Indonesians went along with this line. They expressed renewed concern about the Indochinese refugee problem, particularly along the Thai-Cambodian border.

2. Some interesting developments have occurred since the meeting. The Vietnamese have publicly derided the proximity talks notion, but their ambassador in Kuala Lumpur requested clarification of its details, saying that it had not been definitively turned down. The Khmer Rouge early this week said they would abide by an election that would exclude them from power in a new neutralist and capitalist Cambodia; the next day they mentioned Pol Pot's name for the first time in five years, saying that this "patriot" would not be exiled, which is the Vietnamese apparently irreducible minimum position. The Sino-Soviet mini-thaw adds intriguing elements to the equation.

WARNING NOTE:

A breakthrough on Cambodia does not appear imminent at this time, but the issue could be resolved quickly if either side to the dispute was prepared to make significant concessions.

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